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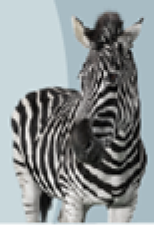

Company Research
27 March 2026 06:36 HKT

ACME Solar Holdings Ltd (ACMO.NS)

India | Utilities

BUY

FDRE leadership + execution chops = re-rating potential

Price: INR245
Target: INR319
Forecast Total Return: 30.1%

Market Cap: INR149bn
EV: INR305bn
Average daily volume: 1.3m

ACME Solar (ACME) is in the middle of structural step change – evolving from a mid-sized solar developer into India's leading Firm and Dispatchable Renewable Energy (FDRE) player, powered by solar-wind-storage hybrid solutions that deliver round-the-clock clean power. The investment case rests on four pillars: (a) strong FDRE positioning (49% of portfolio), (b) improving returns through timely execution (ROCE 12–13%), (c) 63% EBITDA CAGR over FY25–28E driven by a robust pipeline, and (d) attractive valuation at 8x FY28E EV/EBITDA, the lowest among peers. With ~5GW under construction/development (≈80% FDRE mix), ACME is set to add 450MW/1.5GW/1.5GW in FY26E/FY27E/FY28E, boosting EBITDA to Rs53bn and ROCE to 11% by FY28E. Initiate with BUY and Rs319 TP (9x FY28E EV/EBITDA).

- **Strong pipeline of 5.1GW capacity:** ACME's 5.1GW under construction pipeline gives it a multi-year growth visibility, scaling installed capacity to 6GW by FY28 and 8GW by FY30E (implying a healthy 26% CAGR over FY25-30E). Crucially, most projects are awarded by central nodal agencies such as SECI, NTPC, NHPC, and SJVN, ensuring low counterparty risk.
- **Strong project visibility with PPA and evacuation in place:** PPAs are already tied up for 3.5GW of its under-construction portfolio, and management expects LoAs for the remaining 1.6GW (300MW pending) to convert into firm PPAs over the next few quarters. Evacuation infrastructure is ready for the entire 4.5GW UC capacity, and most land has been acquired for projects slated by FY27, ensuring execution visibility and mitigating IRR risks from delays.
- **High-yielding FDRE dominates UC portfolio:** FDRE projects form ~79% (4.0GW) of ACME's 5.1GW UC pipeline, though none are yet operational. These high-quality assets operate at >40% PLF and deliver ~18% RoE. As the FDRE share ramps up through FY26-28E, we expect consolidated RoCE/RoE to rise meaningfully to 11.0%/19.5% by FY28E from 8.8%/7.1% in FY25.
- **PAT to grow at 69% CAGR over FY25–28E:** ACME's installed capacity is projected to rise to 6GW by FY28 from 2.5GW in FY25, driving revenue/EBITDA/PAT growth at 62%/63%/69% CAGR to Rs59bn/Rs53bn/Rs12bn, respectively. EBITDA margins to expand to 89.5% by FY28E (vs 87.9% in FY25) on higher execution of high-margin FDRE projects.
- **Initiate with BUY; TP Rs319:** We initiate coverage on ACME with a BUY and a TP of Rs319/share, valuing it at 9x FY28E EV/EBITDA, a conservative multiple versus peers like JSW Energy, Tata Power, and NTPC Green trading at 12-14x. Despite the lower multiple, ACME's superior return and margin profile, driven by its integrated business model, higher FDRE share, and strong project visibility, provide earnings visibility.

Utilities

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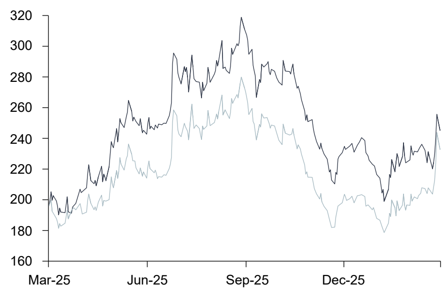
Financials and valuation — **Year end: 31 March**

	2024A	2025A	2026E	2027E	2028E
Revenue (INRm)	13,193	14,051	20,687	36,762	59,348
EBITDA (INRm)	10,892	12,354	18,149	32,281	53,119
EBITA (INRm)	7,811	9,481	13,471	26,014	40,781
PBT (normalised) (INRm)	1,608	3,590	5,466	8,691	15,849
Net Income (normalised) (INRm)	1,237	2,508	4,138	6,580	11,999
EPS (norm. cont.) - FD (INR)	2.4	4.1	6.8	10.9	19.8
FCFPS - FD (INR)	(26.2)	(28.4)	(122.5)	(137.4)	(35.2)
DPS (INR)	0.0	0.0	0.0	0.0	0.0
PE (normalised) (x)	103.5	59.2	35.9	22.5	12.4
EV/sales (x)	14.9	15.9	14.7	11.0	7.6
EV/EBITDA (x)	18.1	18.1	16.8	12.5	8.5
FCF yield (%)	(10.7)	(11.6)	(49.9)	(56.0)	(14.4)
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company accounts, Investec Equities estimates

Price Performance



	1m	3m	12m
Price	8.5	6.7	22.1

Source: FactSet

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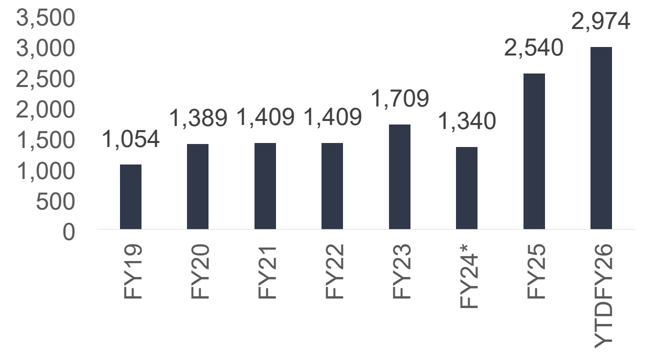
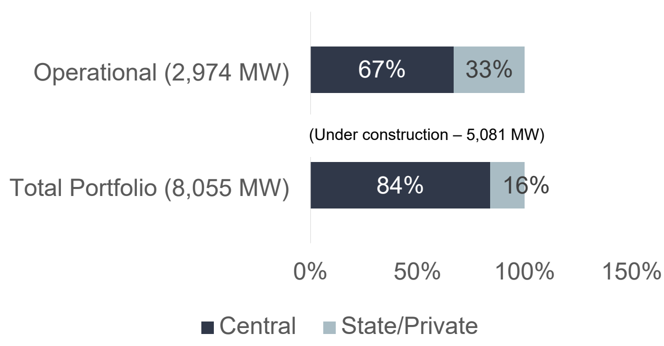
Story in Charts

Figure 1: Strong capacity ramp-up across FY19–YTDFY26 (MW)



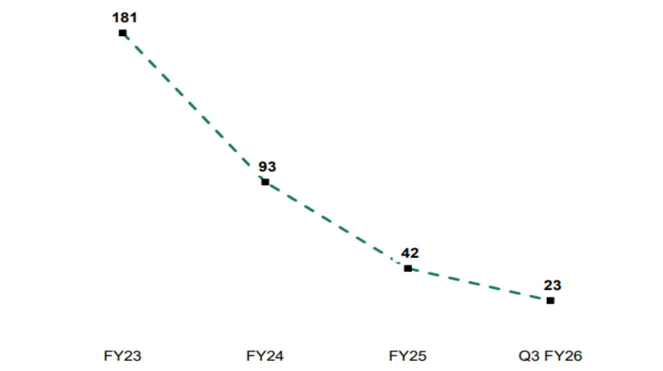
Source: Company, Investec Equities Research

Figure 2: Central offtake to increase to 84% of the total portfolio….



Source: Company, Investec Equities estimates

Figure 3:… leading to debtor days on a sustained downtrend



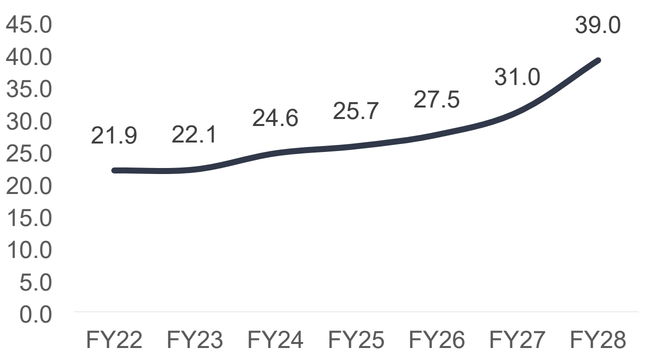
Source: Company, Investec Equities Research

Figure 4: UC portfolio: PPA secured, grid-connected & FDRE-dominant

PPA status	MW	% of total
PPA signed	3,500	69%
LoA awarded	1,280	25%
LoA awaited	301	6%
Total	**5,081**	**100%**
Connectivity status	**MW**	**% of total**
Secured	4,480	88%
Pending	601	12%
Project type	**MW**	**% of total**
FDRE	4,031	79%
Hybrid	750	15%
Solar plain	300	6%

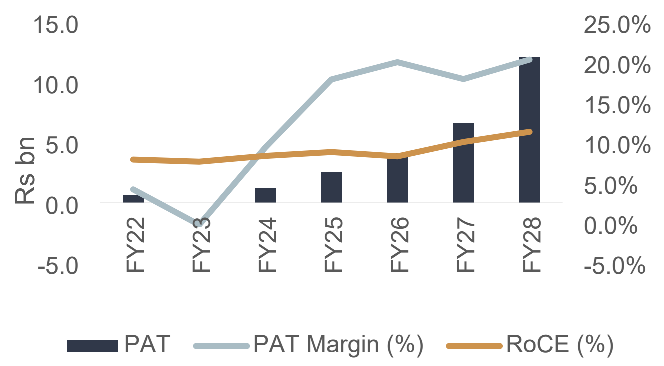
Source: Company, Investec Equities estimates

Figure 5: BESS integration to drive improvement in PLF



Source: Company, Investec Equities estimates

Figure 6: PAT, margins and RoCE on a strong upward trajectory



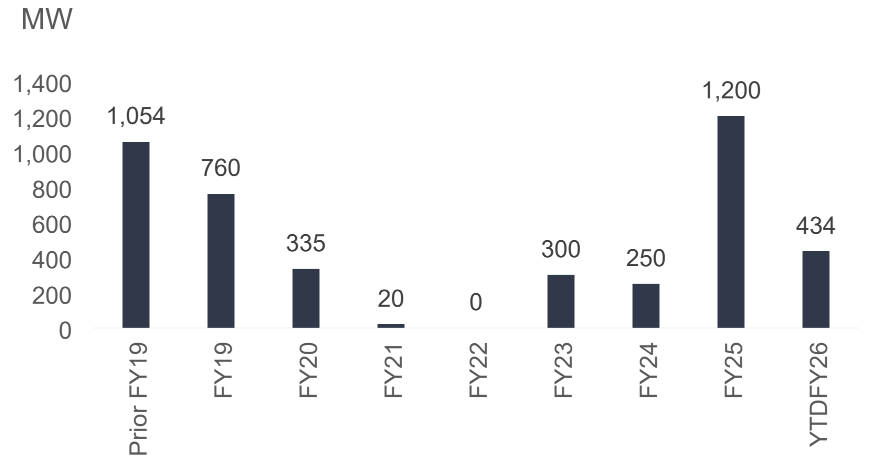
Source: Company, Investec Equities estimates

ACME - Pioneering India's Renewable Energy transition

ACME is among India's leading renewable power producers, with a total portfolio of 8.1 GW (comprising 3 GW of operational assets and about 5.1 GW under construction or development). The company operates through an integrated in-house model covering the full project lifecycle -- bidding, land acquisition, connectivity, EPC, execution, and O&M. In FY25, ACME secured 29% of the projects it bid for, compared with 60% in FY24, reflecting its growing emphasis on hybrid and round-the-clock (RTC) renewable projects, a strategic pivot from its earlier focus on standalone solar assets.

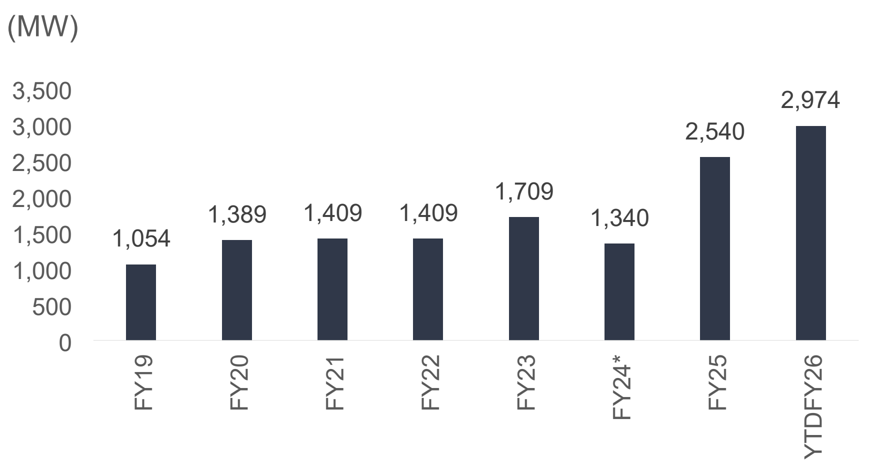
With an operational portfolio of 3GW, ACME ranks among the top 10 renewable energy players in India based on operational capacity as of 9MFY26. The company develops, builds, owns, operates, and maintains large-scale renewable energy projects, generating revenue through electricity sales to various off-takers, including central and state government-backed entities. In addition to its operational capacity, ACME is currently developing 5.1 GW of contracted projects - comprising 4GW of FDRE/RTC/BESS, 750 MW hybrid and 300MW solar projects.

Figure 7: Incremental capacity commissioned by ACME Solar Holdings, March FY19-25



Source: Company, Investec Equities Research

Figure 8: Cumulative capacity addition trend over FY19-25



Source: Company, Investec Equities Research
*Divested 369MW in FY24

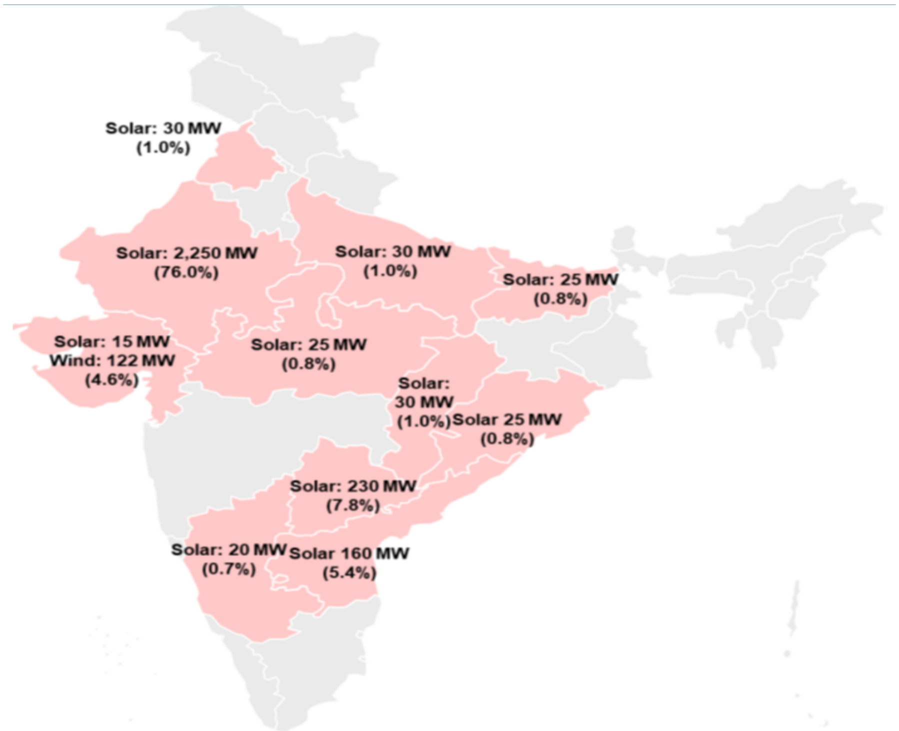
Evolution of ACME group's RE platform

Established in 2015 to consolidate the ACME Group's renewable energy operations, ACME Solar Holdings is promoted by Manoj Kumar Upadhyay. The parent company, ACME Cleantech, founded in 2003, initially provided energy management solutions to India's wireless telecom operators before entering the renewable energy generation space in FY2009. Over the years, the ACME Group has developed, executed, and commissioned 4.4 GW of renewable projects, with 1.4 GW of capacity subsequently divested during FY21-24 to fund its future growth.

Pan-India RE anchored in high-irradiation Rajasthan

ACME, through its subsidiaries, operates a diversified portfolio of renewable energy projects (both operational and under construction) across the Indian states of Rajasthan, Gujarat, Punjab, Madhya Pradesh, Uttar Pradesh, Bihar, Chhattisgarh, Andhra Pradesh, Odisha, Karnataka and Telangana. Rajasthan, which has one of the highest irradiations, accounts for 76% of ACME's operational portfolio, resulting in strong portfolio PLF of 25.6% each in FY25 and 9MFY26.

Figure 9: ACME's portfolio is concentrated in Rajasthan



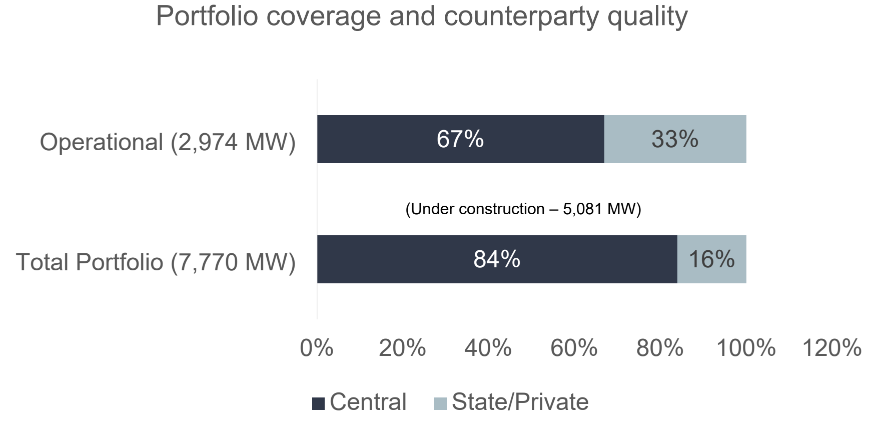
Source: Company, Investec Equities Research

Strong, de risked offtake underpinning multiyear RE growth

ACME Solar's offtake profile has strengthened significantly over the past 1-2 years. About 83% of its total portfolio (operational and under construction) is contracted with central offtakers such as SECI, NTPC, NHPC, and SJVN, while only 17% is tied to state or private entities. This portfolio mix structurally reduces counterparty risk and enhances cash flow quality, with DSO improving to just 23 days as of 9MFY26 (versus 42 days in FY25).

For the operational portfolio of 3GW alone, central offtake is already 67% + GUVNL is 5% and is guided to move toward the 85%+ level as the under construction central PPAs start commercial operations.

Figure 10: Central offtake increasing with under-construction capacity commissioning



Source: Company, Investec Equities Research

ACME's entire generation portfolio is backed by long-term PPAs (typically 25 years), nearly all secured through competitive bidding with central and state utilities. Of the 5.1 GW under construction, 3.5 GW plus 550 MWh of BESS already have signed PPAs, with most tariffs adopted and grid connectivity in place. The remaining 1.3 GW has Letters of Award (LOAs) issued, while another recently awarded 301 MW (LOA pending) also has connectivity either secured or applied for. The weighted average tariff stands at approximately Rs3.4/kWh for operational assets and Rs4.4/kWh for those under construction, reflecting healthy revenue visibility and disciplined bid pricing, particularly given the higher CUF from FDRE and hybrid projects.

Shift to high-value FDRE, hybrid and storage-led tenders

ACME's offtake/portfolio mix has consciously shifted away from plain vanilla solar to higher value FDRE/hybrid and storage linked projects: in total portfolio, solar is 39%, wind 2%, and FDRE/hybrid/others 59%. Within the recent additions, ACME has secured PPAs with central agencies like SECI/SJVN/NTPC/ NHPC across FDRE tenders providing higher tariffs:

- FDRE and hybrid PPAs in the Rs4.3–4.7/kWh range, BESS PPAs with NHPC (Rs2.10–2.22 lakh/MW/month), and
- Its first private offtake with Tata Power D for 50 MW/220 MWh FDRE at Rs4.43/kWh.

This mix increases offtake stickiness (for system critical peak and firm power) versus pure merchant/vanilla solar exposure.

Figure 11: Under construction portfolio overview

Project Name	Status	Type	Nodal Agency	Capacity	Rs/Unit	PPA Status	Connectivity Status
ACME Surya Power Pvt. Ltd	U/C contracted	FDRE	SJVN	250	4.38	Signed	Secured
ACME Sun Power Pvt. Ltd	U/C contracted	FDRE	SJVN	320	4.38	Signed	Secured
ACME Urja One Pvt. Ltd	U/C contracted	FDRE	SECI	190	4.73	Signed	Secured
ACME Renewtech Pvt. Ltd	U/C contracted	Hybrid	NTPC	300	3.36	Signed	Secured
ACME Platinum Urja Pvt. Ltd	U/C contracted	FDRE	SECI	150	3.42	Signed	Secured
ACME Venus Urja Pvt. Ltd.	U/C awarded	FDRE	NHPC	400	4.64	Signed	Secured
ACME Hybrid Urja Pvt. Ltd	U/C awarded	FDRE	NHPC	280	4.64	Signed	Secured
ACME Renewtech Fifth Pvt. Ltd	U/C awarded	FDRE	NHPC	250	4.56	Signed	Secured
ACME Sigma Urja Private Ltd	U/C awarded	FDRE	Tata Power D	50	4.43	Signed	Secured
ACME Urja One Pvt. Ltd	U/C awarded	FDRE	SECI	190	4.73	Signed	Secured
ACME Platinum Urja Pvt. Ltd	U/C awarded	FDRE	SECI	200	3.42	Signed	Secured
ACME Alpha Renewables Ltd.	U/C awarded	Hybrid	NTPC	150	3.32	LOA Awarded	Secured
ACME Omega Urja Pvt. Ltd	U/C awarded	Solar	SJVN	300	2.52	LOA Awarded	Applied

ACME Renewtech Second Ltd.	U/C awarded	Hybrid	SECI	300	3.25	LOA Awarded	Secured
ACME Marigold Urja Pvt. Ltd.	U/C awaited	FDRE	NTPC	400	4.70	LOA Awarded	Secured
SPV 1	U/C awaited	FDRE	MPPMCL	220	2.76	Signed	Secured
SPV 2	U/C awaited	FDRE	SJVN	450	6.75	Signed	Secured
REMCL	U/C awaited	FDRE+RTC	REMCL	130	4.35	LOA Awarded	Secured
ACME URJA One_Phase 2	U/C awaited	FDRE	NHPC	250	4.33	Signed	Secured
SECI FDRE peak hour supply	U/C awaited	FDRE	SECI	301	6.28	LOA Awaited	Pending
Total Capacity with average Tariffs				**5,081**	**4.39**		

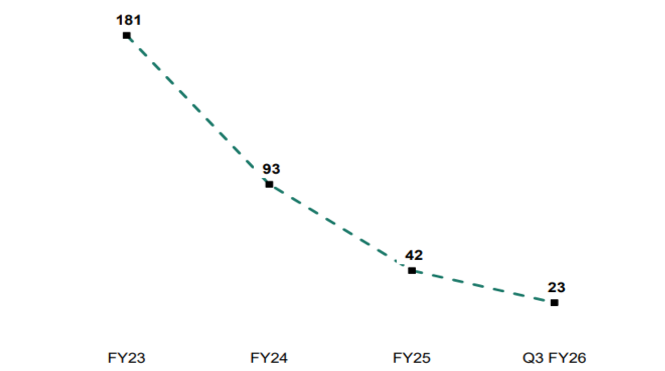
Source: Company, Investec Equities estimates

PPAs in place for 3.3GW with central agencies as key off-takers

ACME has 5 GW of projects under construction, with PPAs finalized for 3.3 GW and LOAs issued or pending for the rest. Historically LOA to PPA conversion has taken 6-9 months, and the key FY25–26 PPAs have been progressing broadly in line with this timeline. On grid connectivity as well ACME has arranged for essentially the entire contracted pipeline; in some cases (e.g., Morena park FDRE), the procurer is responsible for park connectivity, which further de risks execution.

Stronger off-taker profile is already visible in collections as debtors' days has improved sharply from 181 days in FY23 to 42 days in FY25 and further to 23 days as of Q3 FY26. Also, receivables risk is now largely limited to a shrinking tail of legacy state PPAs (AP, little bit from Telangana), while the bulk of incremental EBITDA will come from central PPAs and well rated central PSUs.

Figure 12: DSO (as Billed) as of Q3 FY26



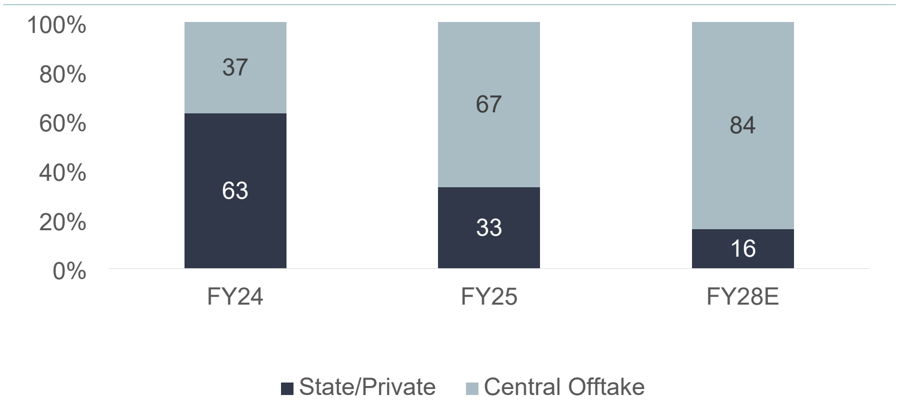
Source: Company, Investec Equities Research

Figure 13: Project portfolio and PPA/ connectivity status

PPA status	MW	% of total
PPA signed	3,500	69%
LoA awarded	1,280	25%
LoA awaited	301	6%
Total	**5,081**	**100%**
Connectivity status	**MW**	**% of total**
Secured	4,480	88%
Pending	601	12%
Project type	**MW**	**% of total**
FDRE	4,031	79%
Hybrid	750	15%
Solar plain	300	6%

Source: Company, Investec Equities estimates

Figure 14: Rising central offtake share is expected to drive further improvement in collections



Source: Company, Investec Equities estimates

Thus, ACME Solar offers a rare combination of growth and de risked cash flows, underpinned by long term 25-year PPAs and a rapidly improving offtake mix dominated by high quality central counterparties. The pivot toward higher tariff hybrid and FDRE projects with storage (now roughly half the portfolio) further enhances revenue quality, grid friendliness and returns versus plain solar, while debt tie ups and CTU connectivity for most under construction capacity materially lower execution and offtake risk.

In-house EPC and O&M mitigate import cost volatility

ACME's strategy to handle the China VAT rebate removal and broader import driven cost uptick is largely architectural rather than a narrow, one-off price hedge. The group's EPC and O&M business have been fully moved within ACME Solar, so it captures the EPC margin itself and can offset part of any module/BESS cost inflation through internal efficiencies and value engineering (higher DC AC ratios, layout optimisation, bifacial modules, standardised designs). This structure supports tighter cost control at the bill of quantities level and gives the company flexibility to reconfigure projects (for example, adjusting the mix of solar, wind, and storage or balancing overbuild versus storage hours) if Chinese FOB prices rise following policy changes such as export duties or VAT incentive removal.

Also, ACME runs a centralised supply chain with a wide base of domestic and international vendors and a bulk order strategy, which improves negotiating power on modules, inverters and BESS even if underlying Chinese costs rise. Furthermore, the company has already ordered 10 GWh of BESS from “leading global energy system suppliers”, giving it volume leverage and some pricing locked in ahead of the April 2026 export rebate removal. As on date, the BESS commissioning is ongoing at 3 project sites and commissioning planned to be ~2 GWh by Q4FY26 (already commissioned 481MWh as on date).

Infrastructure in place for projects to be executed by FY27-28

ACME is well placed to execute its under construction portfolio, with strong visibility on both near term commissioning and medium-term capacity scale up. As part of its build out plan, management targets execution of 1.5 GW of contracted renewable capacity each in FY27E/FY28 and over 10 GWh of BESS by CY27 (481MWh already commissioned till date), with execution risk mitigated by funding, land and procurement readiness. PPA, connectivity, land availability and project ordering has already been placed for projects to be commissioned by FY27, while only a small portion of LoA issued for FY28 projects are under discussion to be converted into PPA. This provides a firm visibility for projects to be executed over FY26-FY28E with a cumulative capacity addition of ~3.5GW capacity.

ACME has already secured grid connectivity for all its under construction and under development projects, ensuring that capacity tied to both signed and yet to be signed PPAs is fully backed by evacuation readiness. This is complemented by a dedicated connectivity inventory of around 7.5 GW earmarked for upcoming bids over and above the existing operational portfolio, giving strong visibility for future growth. In parallel, ACME has acquired more than 10,000 acres of land for under construction PPA signed projects and has already tied up the majority of land required for projects scheduled to commission in FY27, significantly de risking execution timelines.

Figure 15: Connectivity inventory for upcoming bids

Connectivity	Secured	Applied
FY27	0.6GW	-
FY28	0.4GW	0.3 GW
FY29	-	2.7 GW
FY31-33	0.3GW	3.2 GW
Total	1.3 GW	6.2 GW

Source: Company, Investec Equities Research

Well-funded pipeline, secured infra and early BESS monetisation

Debt has been tied up for almost the entire FY27 build out, land acquisition is largely complete, connectivity is fully secured, and a majority of modules and BESS volumes have already been ordered and have begun arriving at sites, with phased commissioning underway.

A key strategic lever is the fast-tracked installation of c.10 GWh of BESS for FDRE projects by CY27 (481MWh already commissioned), with batteries initially deployed at existing operational sites to monetise available transmission capacity. This approach avoids incremental transmission capex of roughly Rs2 mn/MW and mitigates right of way and execution bottlenecks, while enabling earlier cash flow generation from storage assets. Once the associated FDRE projects are fully commissioned, the BESS will be integrated into the respective project configurations and operate under 25-year PPAs, supporting long term cash flow visibility.

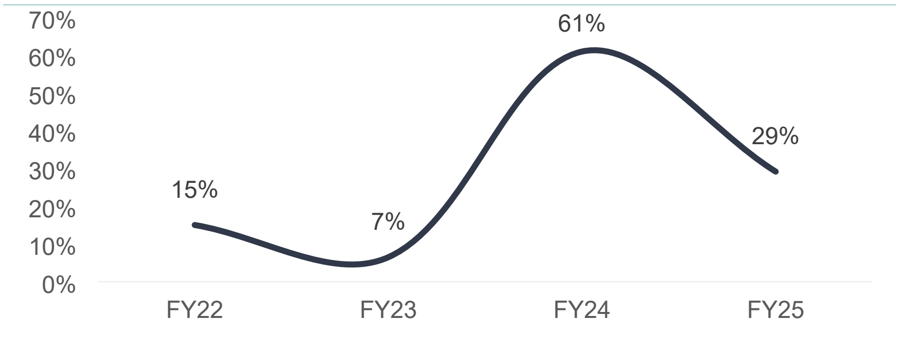
Commercial readiness supported by steady offtake tie-ups

Of the guided near-term PPA visibility of ~770 MW (which was mentioned during Q3FY26 call), ACME has already secured PPA for 640MW capacity. YTD ACME has signed 1.7GW PPA for its UC projects and till date it has signed PPA for 3.5GW for entire UC capacity, majority of which are expected to be commissioned by FY27-FY28. In addition, execution visibility beyond the current under construction pool is enhanced by a sizeable “connectivity inventory” of c.7.5 GW (secured and applied) earmarked for upcoming bids, expected to come live in phases through FY33. Management intends to deploy this connectivity selectively into projects that meet internal return thresholds, supporting a disciplined trajectory towards its stated objective of achieving 10 GW of operational capacity by 2030.

Higher bid-win rate and land bank provide ACME an execution edge

ACME has demonstrated a strong project winning strike rate and backs it up with robust execution capabilities, particularly in land acquisition. ACME’s bid-win rate declined from 61% in FY24 to 29% in FY25 as FDRE/RTC and hybrid tenders became far more competitive, with many new large players and sharper tariffs, and as the company shifted from exploiting its early-mover advantage in a nascent market to a more selective, return-focused bidding strategy. Even so, winning roughly one in three bids in this tougher environment still represents a healthy outcome and shows that ACME remains an active, relevant player in complex renewable auctions.

Figure 16: Winning strike rate (%) trend of ACME solar



Source: Company, Investec Equities Research

This high win rate is supported by an integrated development model where early work on land and connectivity is treated as a core differentiator. ACME’s specialised land team, which is conversant with local practices, has acquired or leased more than 25,000 acres across 12 states, using solar resource maps, satellite imagery and GIS tools to identify and secure suitable sites in high irradiation, infrastructure ready locations. By locking in land and grid connectivity ahead of or immediately after bid wins, ACME is able to move projects from award to commissioning within targeted timelines, reducing execution risk and penalties while converting its strong tender success rate into commissioned, revenue generating assets.

ACME's equipment costs largely insulated from China VAT shift

ACME Solar appears largely insulated from the cost impact of China's withdrawal of VAT export rebates on solar and battery equipment, with minimal risk to budgeted capex and project returns for its FY27 execution pipeline.

Management has indicated that for projects targeted for commissioning in FY27, the company has already tied up a substantial portion of its key equipment under favourable terms. Around 1.7 GWp of modules and a significant portion of BESS capacity (10GWh) have been procured within the originally budgeted cost, covering roughly half of the module requirement and the entire BESS requirement for the 1.5 GW contracted capacity planned for FY27. On this already procured basket, ACME is realizing more than 10% savings versus initial capex assumptions, creating a meaningful buffer against any subsequent input cost pressure. For the remaining requirement, orders placed post the China VAT policy change—for both modules and batteries—are also reported to be within the budgeted cost envelope, with management explicitly stating that they do not anticipate any impact on the budgeted capex arising from the Chinese announcement.

At a more granular level, the company has quantified the direct impact of the VAT rebate withdrawal on module economics as marginal. The change primarily affects cell prices, as ACME sources cells from China while the rest of the BOS is largely India sourced. Management has assessed the resulting increase in overall landed module cost at not more than about Rs1/W, and even after factoring in this increase, the effective landed price remains Rs1–1.5/W below the levels assumed in its original project budgets. This indicates that project IRRs retain headroom despite the policy shift. In addition, ACME has mitigated transition phase volatility through front loaded procurement and logistics planning: significant module volumes have been ordered and scheduled for delivery before the key cut off dates, and suppliers have flexibility to optimise sourcing through both Chinese and FTA routes. The company also expects any temporary firmness in prices during the transition and Chinese New Year period to normalise as global supply–demand dynamics—still favourable to buyers in a glut environment—reassert themselves.

Taken together, the pre procurement strategy, locked in pricing with embedded savings, quantified and limited unit cost impact, and supply chain flexibility suggest that ACME is well protected against the VAT incentive waiver in China. The risk of any material deviation from budgeted capex for its near-term execution portfolio appears low, and the company does not foresee any adverse impact on its targeted returns from this specific policy change.

Battery-enabled FDRE/RTC projects bolster DSM stability

ACME's exposure to DSM penalties under the tighter framework from April 2026 is mitigated by a consciously battery-backed portfolio strategy and active participation in the ongoing regulatory dialogue. We believe that the proposed DSM tightening has a much lower impact on solar and does not materially affect battery-based projects, as storage would allow them to manage schedule deviations more effectively. Most of ACME's Rajasthan projects are being equipped with BESS which would have minimal DSM impact because batteries will smooth intermittency and keep actual generation within permissible deviation bands. Strategically, ACME is fast tracking installation of around 10 GWh of BESS on its FDRE/RTC portfolio by CY27, with early commissioning mostly at existing ISTS-connected operational sites, which both de risks DSM exposure and enhances grid friendliness of its assets.

Figure 17:Battery Energy Storage System (BESS) Commissioning and Integration Plan

Parameter	Detail
BESS commissioning status (current plan)	Commissioning ongoing at 3 project sites; 481 MWh already commissioned
BESS commissioning by Q4 FY26	~2 GWh planned, revised up from 1 GWh expected earlier
BESS delivered at sites	~1,150 MWh
Target BESS commissioning by CY27	~10 GWh to be commissioned
Integration plan	To be eventually integrated with FDRE/RTC projects

Source: Company, Investec Equities Research

Lower exposure towards volatile wind capacity

Also, the company's exposure towards highly volatile wind project is also very minimal with only 2% of its portfolio exposed to pure wind project. Wind due to its volatile nature of generation is highly exposed to higher DSM penalties. With lower Wind capacity in portfolio, ACME has significantly lowered its exposure towards DSM based penalty.

In parallel, DSM changes are under active deliberation at industry forums with the Power Ministry and MNRE, and ACME notes that policymakers are fully apprised of the challenges, particularly for wind projects. Key solutions under discussion include making DSM tightening prospective rather than retrospective, thereby protecting legacy PPAs, and enabling or incentivising battery installation at existing plants with the ability to sell surplus battery output on a merchant basis to economically compensate developers. Management's stance is that as batteries scale up across the system—supported by NEP's 2030 BESS targets, central and state tenders, and VGF-backed storage programs—the grid's tolerance for renewable variability will structurally improve, containing DSM risk for storage-integrated IPPs such as ACME.

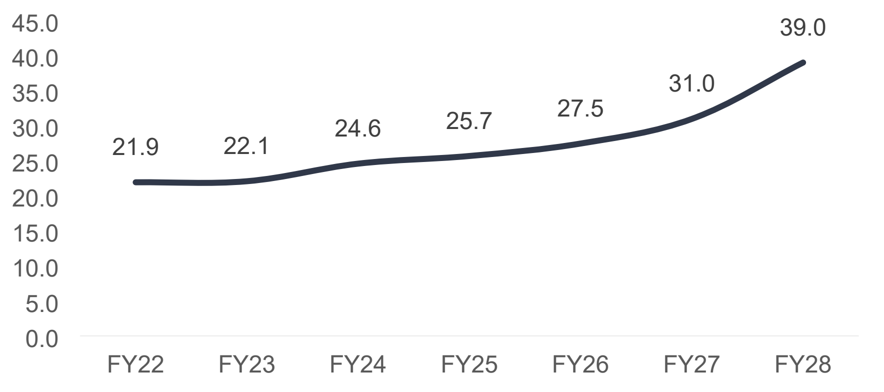
Portfolio tilt to Hybrid/FDRE enhances returns and cash flow quality

ACME Solar is in the midst of a structural portfolio shift from plain vanilla solar and wind towards higher value hybrid and FDRE, underpinned by battery storage. This transition is set to lift portfolio level returns, improve earnings quality and enhance cash flow sustainability, even as capex intensity rises.

Historically, ACME's operational base has been dominated by standalone solar projects with tariffs in the Rs2.4–2.8/kWh range and CUFs in the low to mid 20s. Around 79% of the ACME's incremental 5GW capacity planned up to FY2028 is in FDRE and storage backed formats, which operate at higher CUFs. Thus, ACME's portfolio PLF is projected to rise from ~25–26% to ~38–39% led by higher share of hybrid/FDRE projects and storage ramp up. Also new FDRE and hybrid PPAs are largely in the Rs3.5–5/kWh band, materially above recent solar only tariffs.

Improved PLF and higher tariff are expected to lift ACME's cash return on capital invested (ROCI) improves from 10.9% in FY25 to 15.1% by FY28, as incremental EBITDA from high CUF, high tariff hybrid/FDRE more than compensates the higher capex/MW for these hybrid projects. EBITDA is forecast to grow 4.3x over FY25–28 with margin expansion from ~88% to ~90%, driven by (1) richer project mix and (2) in house EPC lowering delivered capital costs.

Figure 18: PLF trend over FY22-28E



Source: Company, Investec Equities estimates

Proforma FDRE project economics for ACME's 400MW Venus project

We have highlighted how the FDRE project return profile and economics can fetch better return versus the plain solar/wind projects that generally provide a 12-13% EIRR vs 18-20% for FDRE.

The proforma FDRE model for ACME's 400 MW Venus project indicates an economically attractive configuration, delivering a higher equity IRR under base-case assumptions. The 400 MW Venus FDRE project, configured with 704 MW solar AC, 1,021 MWp DC (1.45x DC/AC) and a 1,760 MWh, 4-hour BESS, is expected to deliver firm, dispatchable renewable power under a 25-year PPA at a contracted tariff of Rs4.64/kWh, translating into a base-case post-tax equity IRR of 20%.

The Rs48.5bn project cost (Rs121 mn/MW), driven by solar capex of Rs4mn/MW, battery cost of ~Rs8.9 mn/MWh (US$100/kWh at Rs89/US$), 5% soft costs and ~Rs2.5bn IDC, is funded through a 75:25 D/E structure (Rs36.4bn debt, Rs12.1bn equity), with debt priced at 9% pre-COD and 8.5% post-COD over a 19-year repayment profile, and 3.17% straight-line depreciation supporting tax shields.

On this configuration, the model projects annual revenues of ~Rs7–7.15 bn in early operating years, net of modest peak-power penalties, against escalated O&M (solar, inverter AMC, battery), insurance and land-lease outgo, yielding healthy EBITDA of Rs6.5bn and sufficient cash flow to service interest and principal while still generating attractive free cash flows Rs2.3bn to equity that cumulatively exceed initial equity over the PPA life and supporting the underwritten 20% IRR.

Key sensitivities remain execution on capex (solar and BESS), realized CUF vs. 44% target, refinancing terms vs. the assumed 8.5% post-COD cost, and any adverse changes in penalty regime or storage performance.

Figure 19: Key Assumptions for the FDRE Project

ACME Venus 400 MW FDRE Project		
Particulars	**Units**	**Inputs**
Project Type		**FDRE**
Contracted Capacity	MW	400
Solar AC capacity	MW	704
Solar DC Capacity	MWp	1,021
BESS	MWh	1,760
Revenue Assumptions	**Units**	**Inputs**
Contracted Tariff	INR/KWh	4.64
PPA term	Years	25
Project Capex	**Units**	**Inputs**
Solar	INR Cr/MW	4
Wind	INR Cr/MW	0
Battery	INR Cr/MWh	0.89
Soft Cost (Pre-ops & contingency)	% of Hard Cost	0.05
IDC	INR Cr	245
Hard Cost	**INR Cr**	**4,382**
Soft Cost (incl. pre-ops, IDC & contingency)	**INR Cr**	**464**
Total Project Cost	**INR Cr**	**4,847**
Total Project Cost	**INR Cr/MW**	**12**
Capex Funding		
Equity	%	25
Debt	%	75
Equity	INR Cr	1,212
Debt	INR Cr	3,635
Interest on Debt before CoD	%	9
After CoD	%	8.5
PLF	%	44%

Source: Company, Investec Equities estimates

Investec

Figure 20: Equity IRR calculation for an FDRE Project

Profit & Loss Account (INR Cr.)	COD-2	COD-1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Revenue from Sale under PPA			715	715	715	715	715	715	715	715	715	715	715	715	715	715	699	699	699	699	699	699	683	683	683	683	683
Peak Power Penalty			0	-11	-21	-11	-11	-21	-11	-11	-21	-21	-11	-21	-21	-32	-21	-21	-21	-31	-21	-21	-10	-10	-20	-31	-41
Revenue from Operations			715	705	694	705	705	694	705	705	694	694	705	694	694	683	678	678	678	668	678	678	673	673	662	652	642
O&M expenses																											
Solar O&M			-17	-17	-18	-19	-19	-20	-21	-22	-23	-24	-25	-26	-27	-28	-29	-30	-31	-32	-34	-35	-36	-38	-39	-41	-43
Wind O&M & BoS			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Battery O&M			-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
Insurance			-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
Lease Expense			-7	-7	-7	-7	-7	-7	-7	-7	-8	-8	-8	-8	-8	-8	-8	-8	-8	-9	-9	-9	-9	-9	-9	-10	-10
Inverter AMC			0	0	0	0	0	0	0	0	0	0	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
Total Expenditure			-38	-38	-39	-40	-41	-42	-43	-44	-45	-46	-51	-52	-53	-54	-56	-57	-58	-60	-61	-62	-64	-66	-67	-69	-71
					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA			678	666	655	665	664	652	662	661	649	648	654	642	641	629	622	621	620	608	617	616	608	607	595	583	571
EBITDA/MW			1.7	1.7	1.6	1.7	1.7	1.6	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4
EBITDA Margin (%)			95%	95%	94%	94%	94%	94%	94%	94%	94%	93%	93%	92%	92%	92%	92%	92%	91%	91%	91%	91%	90%	90%	90%	89%	89%
Depreciation			-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153	-153
Interest expense			-327	-304	-294	-283	-270	-255	-239	-221	-202	-182	-161	-139	-117	-93	-71	-51	-36	-24	-14	-5	0	0	0	0	0
PBT			197	208	207	228	241	244	270	287	294	313	340	349	371	382	398	417	431	430	450	458	455	453	442	429	417
Book Tax			-50	-52	-52	-57	-61	-61	-68	-72	-74	-79	-85	-88	-93	-96	-100	-105	-108	-108	-113	-115	-114	-114	-111	-108	-105
PAT			147	156	155	171	180	182	202	215	220	234	254	261	277	286	298	312	322	322	336	342	340	339	330	321	312
PAT Margin (%)			21%	22%	22%	24%	26%	26%	29%	30%	32%	34%	36%	38%	40%	42%	44%	46%	48%	48%	50%	50%	51%	50%	50%	49%	49%
FCFE (INR Cr.)	**COD-2**	**COD-1**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**
EBITDA	0	0	678	666	655	665	664	652	662	661	649	648	654	642	641	629	622	621	620	608	617	616	608	607	595	583	571
Less: Cash Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	-46	-131	-134	-138	-143	-147	-147	-152	-154	-153	-153	-150	-147	-144
Less: Capex	-1,212	-3,635	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Interest Expense	0	0	-327	-304	-294	-283	-270	-255	-239	-221	-202	-182	-161	-139	-117	-93	-71	-51	-36	-24	-14	-5	0	0	0	0	0
Less: Debt Addition/Repayment	909	2,726	0	-109	-127	-145	-164	-182	-200	-218	-236	-236	-254	-254	-273	-273	-254	-218	-145	-127	-109	-109	0	0	0	0	0
FCFE	-303	-909	351	253	233	236	231	215	223	222	211	230	239	202	121	129	158	209	292	310	342	348	455	454	445	436	427
Equity IRR	**20%**																										
Debt/EBITDA Ratio	**COD-2**	**COD-1**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**
Debt/EBITDA (x)			5.4	5.3	5.2	4.9	4.7	4.5	4.1	3.8	3.5	3.1	2.7	2.4	1.9	1.5	1.1	0.8	0.6	0.4	0.2	NA	NA	NA	NA	NA	NA

Source: Company, Investec Equities estimates

Strengthening cash flow sustainability

Hybrid/FDRE projects, combined with BESS, convert an intermittent renewable profile into firmer, more predictable output aligned to peak and baseload requirements. Recent FDRE/RTC awards carry explicit minimum annual availability thresholds (75–85%), contracted under 25-year PPAs with government backed counterparties such as SECI, NTPC, NHPC, SJVN and REMC (Indian Railways).

This supports:

- More stable and less weather exposed revenue profiles at the portfolio level, as solar wind complementarity plus storage smooths generation.
- Improved counterparty risk: The share of central offtakers has already risen to mid-80s on the total portfolio, contributing to a sharp fall in Days of Sales Outstanding from ~42 days in FY25 to 23 days in YTDFY26 and better working capital dynamics.

Figure 21: Illustrative self-funded growth calculation at 15% CROCI

Particulars	Assumption / Result
Opening asset base	Rs 100
Funding mix	75% debt / 25% equity
Cost of debt	9% per year
Debt amortization	20 years (straight-line)
CROCI (cash return on capital)	15%
Operating cash on assets	Rs 15
Annual interest on debt	Rs 6.75
Annual principal repayment	Rs 3.75
Total annual debt service	Rs 10.5
Residual cash to equity ("free cash")	**Rs 4.5**
Equity needed per 100 of new assets	Rs 25
Asset support per 1 of equity	Rs 4
New assets funded from 4.5 equity	**Rs 18**
Implied asset base growth rate	**18% (before other haircuts)**

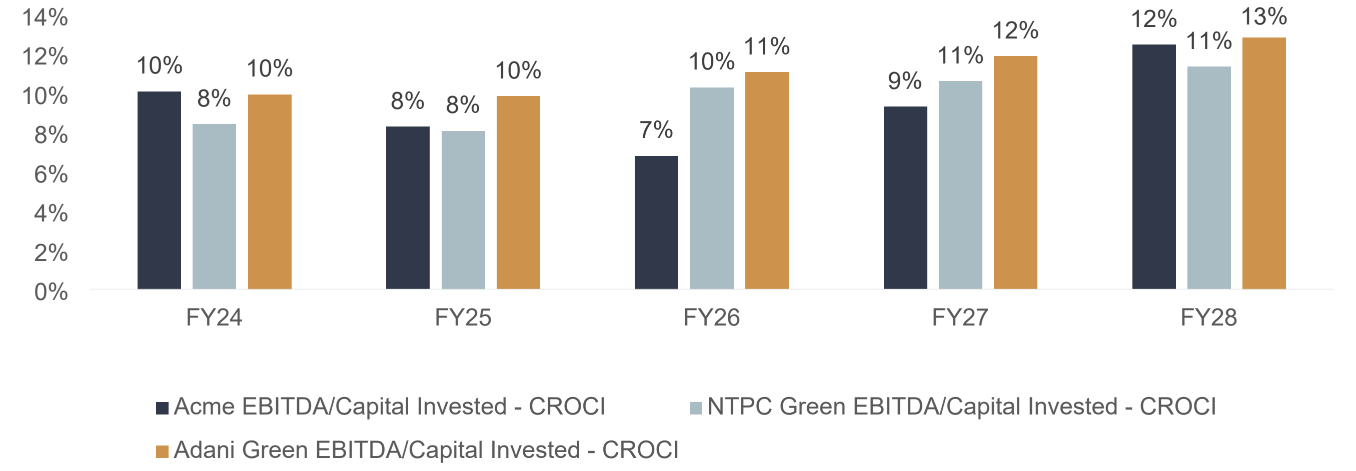
Source: Company, Investec Equities estimates

In the above illustrative, a 15% cash return on capital (CROCI) and a 75:25 debt–equity structure leave ~Rs4.5 of residual cash after servicing interest and principal, which can fund ~18% asset growth without new equity; allowing for tax, working capital, maintenance capex and buffers, this comfortably supports a more conservative 10-12% annual growth in the asset base. On the same logic, at a +15% FY27E ROCI and assuming ~75% debt funding, ~9% cost of debt and 20-year amortisation, we believe ACME can similarly compound its asset base at ~12–13% per year without incremental equity, implying that once the portfolio is scaled, internal cash flows should largely self-fund interest, principal repayments and a moderate growth pipeline.

Returns trajectory improving relative to NTPC Green and Adani Green

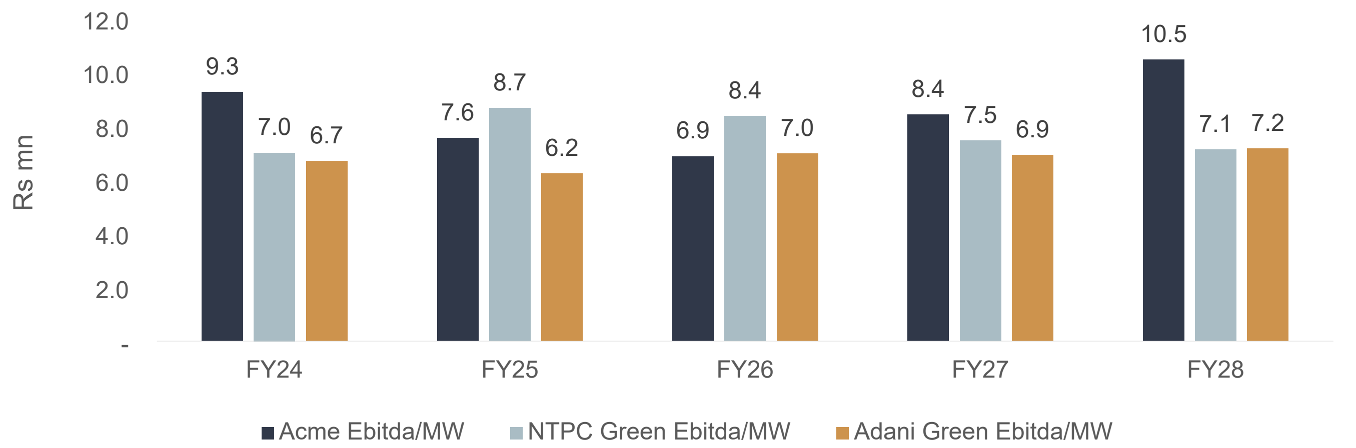
Through FY26–27, higher greenfield spends and under-ramped capacity are likely to weigh on EBITDA/MW and CROCI versus peers, as new assets dilute returns during the initial stabilisation phase. However, as commissioning risk recedes and utilization improves, ACME's EBITDA/MW is projected to trend higher and its CROCI to rise into mid-teens by FY30, implying improving capital efficiency and a catch-up, if not modest outperformance, vs NTPC Green and Adani Green on a return's basis.

Figure 22: CROCI Comparison: ACME vs NTPC Green vs Adani Green



Source: Company, Investec Equities estimates

Figure 23: EBITDA/MW Comparison: ACME vs NTPC Green vs Adani Green



Source: Company, Investec Equities estimates

Additional optionality from storage

Furthermore, by deploying BESS ahead of full FDRE commissioning, leveraging existing operational sites and transmission capacity, the company aims for 2 GWh operational by Q4FY26 (with 481MWh already achieved) and 10 GWh by CY27. It starts with a merchant strategy to capture arbitrage between low-price solar hours and peak demand. We project ~Rs155 crore in annual EBITDA per 1 GWh of BESS at a Rs5/kWh spread if fully cycled. This offering will generate diversified cash flows before long-term PPA integration, while enabling higher monetization per MW of existing transmission and land to boost capital productivity.

Figure 24: BESS cost economics

Particulars	Metric
Capacity (MW)	250
Hours operational/day	4
Per day Mwh	1,000
Which is same as	1 Gwh
Operational efficiency	85%
Output in MW	850
in Gwh	0.85
Charging rate (Rs/kWh)	1.5
Discharging rate (Rs/kWh)	6.5
Spread (Rs/kWh)	5
EBITDA in mn	4.3
For full year (in Mn)	1,551
In Cr	155

Source: Company, Investec Equities estimates

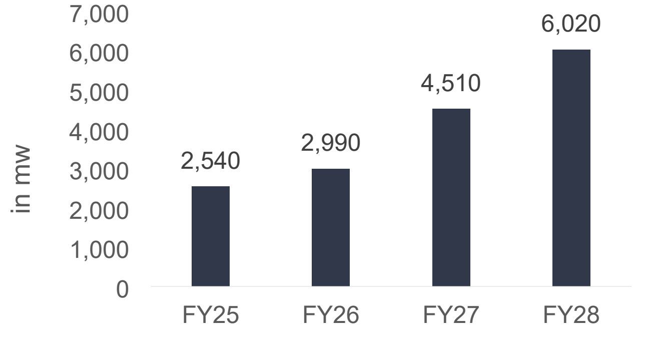
Financial outlook and valuation

ACME's early BESS rollout ahead of full FDRE commissioning, targeting 2 GWh by Q4FY26 and monetising a ~Rs5/kWh spread that can yield about Rs155 crore of annual EBITDA per 1 GWh if fully cycled, adds a diversified, higher-margin cash-flow stream and better utilisation of existing transmission and land, boosting capital productivity and helping support 12–13% annual asset-base compounding at a +15% FY27E ROCI without incremental equity. Together with a high-FDRE UC portfolio that earns materially higher equity IRRs than plain solar or wind, this makes the pivot to hybrid/FDRE with storage clearly accretive to CUF, tariffs, ROCI and cash-flow resilience, even as execution and regulatory risks around PPAs, DSM and storage remain key watchpoints.

Incremental capacities to driver 39% CAGR PAT over FY25-FY28E

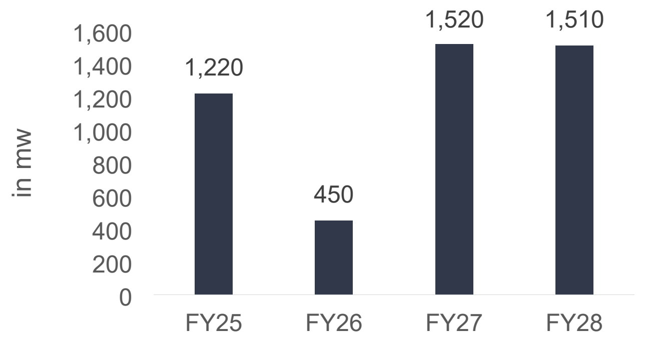
We expect ACME's contracted capacity to increase to 6GW by FY28 vs 2.5GW in FY25 with the commissioning of 450MW/1520MW/1520MW over FY26E/FY27E/FY28E with a total of incremental 3.5GW capacity over FY26-FY28. This capacity ramp-up is expected to lift ACME's CFO from Rs15,430 mn in FY25 to ~Rs42,719 mn by FY28, implying a 40% CAGR over FY25–28E.

Figure 25: Cumulative capacity over FY25-28E



Source: Company, Investec Equities estimates

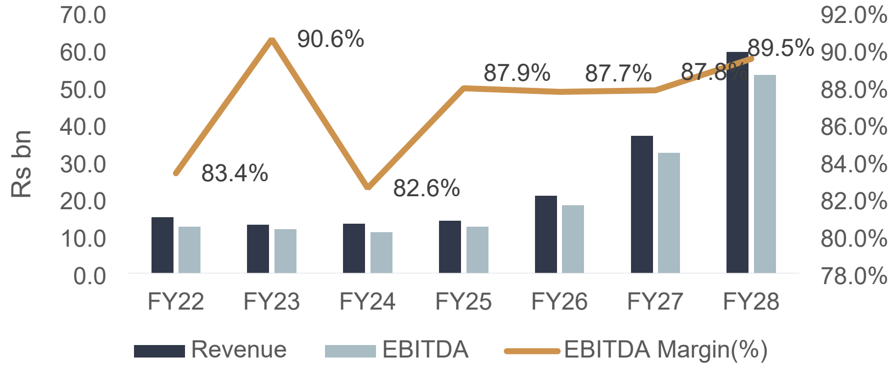
Figure 26: Capacity addition over FY25-28E



Source: Company, Investec Equities estimates

As highlighted before that the Venus FDRE project is underwritten to deliver a post-tax equity IRR of ~20%, significantly above the 12–13% typically seen in plain solar or wind projects and with 79% of the total UC projects i.e. 4 GW being FDRE projects, the realisation and IRR are expected to be higher vs average historical levels. According, we expect Revenue/EBITDA/PAT to grow at a CAGR to 62%/63%/69% to Rs59.3bn/Rs53.1bn/Rs12.0bn. EBITDA margin too is expected to increase to 89.5% in FY28E vs 87.7% in FY25 aided by higher execution of high margin FDRE projects.

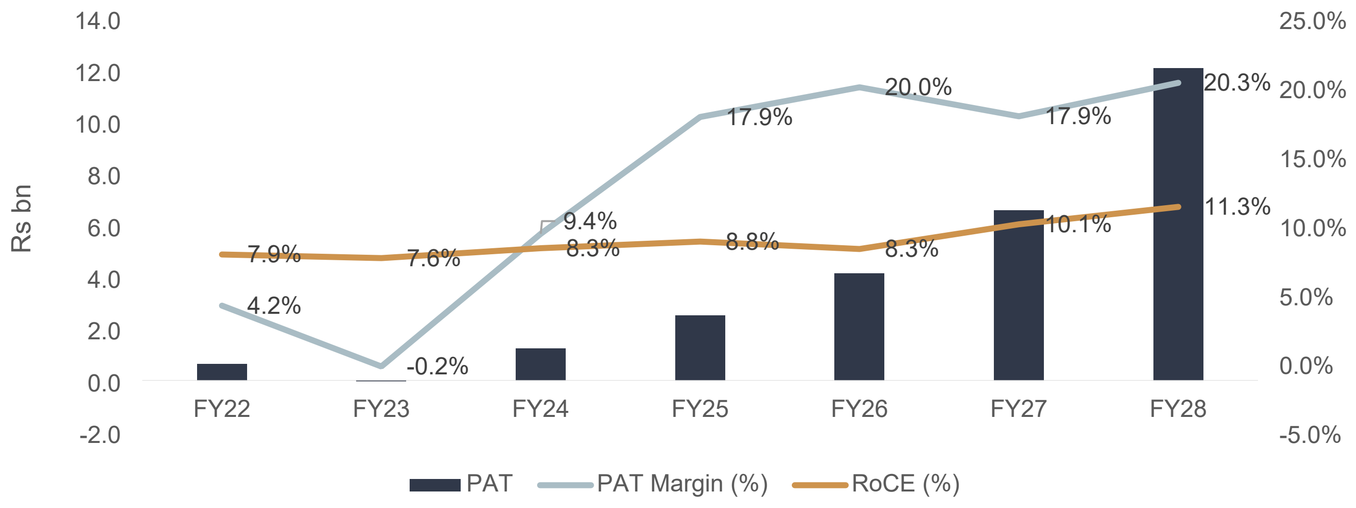
Figure 27: Revenue and EBITDA trend over FY22-28E



Source: Company, Investec Equities estimates

Accordingly, we expect RoCE to improve to 11.3% in FY28E vs 8.8% in FY25, driven by higher share of FDRE tenders and strong executions.

Figure 28: Profitability and Returns Outlook (FY22–FY28E)

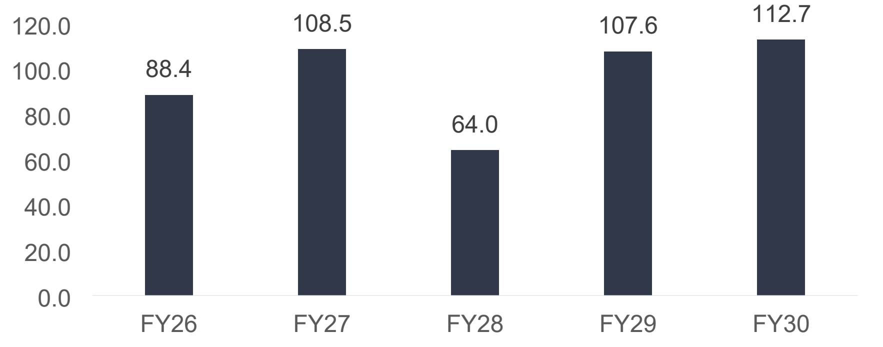


Source: Company, Investec Equities estimates

ACME to incur Rs282bn capex over FY26-28E & Rs481bn capex over FY26-30E

ACME has 5.1GW of capacity under pipeline and 3.5GW of this capacity is targeted to be executed over FY26-FY28E. We expect ACME to incur Rs261bn capex over FY26-FY28 and Rs502bn over FY26-FY30 taking overall capacity to 6.0GW/8.1GW over FY28E/FY30E. Assuming 75:25 D/E we expect, equity capex of ~Rs70bn over FY26-FY28 and Rs125bn over FY26-FY30 which would largely be met through internal cash generation and fund raising initiatives by the company (management needs to bring down its stake from current 83% to 75%.

Figure 29: ACME to incur Rs 481bn capex over FY26-30E



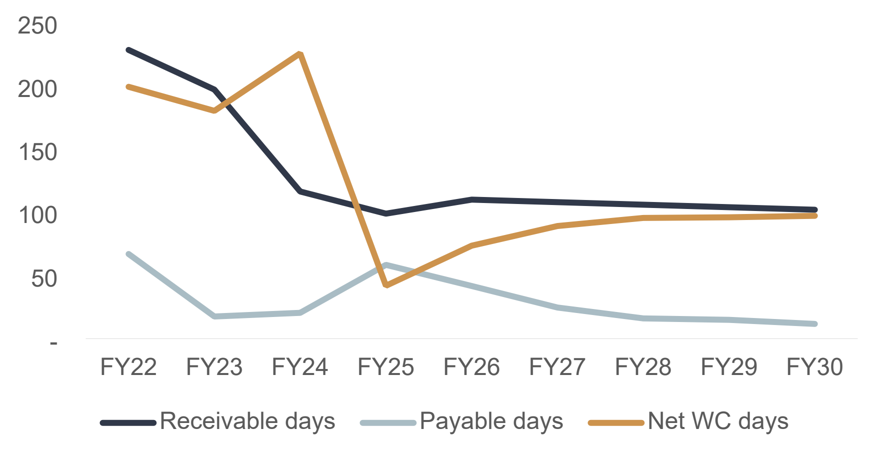
Source: Company, Investec Equities estimates

Internal cash flows, cash release from debt refinancing and fresh raise sufficient to meet capex

On a cash flow basis, timely project commissioning and stabilization should enable ACME to generate Rs82bn in OCF over FY26-FY28 and Rs203bn over FY26-FY30, enough to cover its equity capex needs.

Furthermore, ACME undertakes the refinancing of project debt once asset performance has stabilized, thereby increasing available capital for investment in expanded capacities. It typically raises project debt at 9% and refinances to 8.5% post-stabilization. This 0.5% savings on FY26's expected gross debt of Rs212bn will yield Rs1.1bn for upcoming projects. On working capital, the company has reduced days from 93 in FY24 to 42 in FY25 and 23 in 9MFY26, boosting OCF and releasing more funds for equity funding of new assets. Combined with a planned QIP, these steps will fully fund equity capex for future projects.

Figure 30: Net WC days trending down



Source: Company, Investec Equities estimates

Investec

Valuation

Backed by a healthy 5GW under-construction portfolio, including 3.5GW of capacity scheduled to be added over FY26–FY28, we forecast ACME to deliver a robust 69% PAT CAGR over FY25-FY28. With PPAs, evacuation approvals and funding already in place, visibility on timely execution is strong, materially reducing the risk of delays and downside to earnings. Furthermore, with 78% of the UC portfolio in FDRE projects, we project RoCE to improve to 12% in FY28E from 8.8% in FY25. At the current market price, the stock trades at 8x FY28E EV/EBITDA, which we view as attractive. We initiate coverage on ACME with a BUY rating and target price of Rs319/share (based on 9x FY28E EV/EBITDA).

Figure 31: Valuation Table

Rs mn	FY28
EBITDA	**53,119**
EV/EBITDA (x)	9x
EV	**478,069**
Debt	285,057
Equity	193,012
Mcap	**143,433**
TP	**319**

Source: Company, Investec Equities estimates

Key risks

- **Dependence on debt for growth:** ACME Solar's capacity expansion is largely debt-funded, with a high net debt-to-equity profile. Any rise in interest rates or tightening of credit markets could increase financing costs and constrain the pace of new project execution.
- **Government policy dependency:** The company's growth is heavily contingent on central and state government renewable energy targets, bidding pipelines managed by SECI/NTPC, and timely PPA execution. Any slowdown in government tenders, policy reversals, or changes in tariff frameworks could materially impact revenue visibility.
- **Execution challenges in project delivery:** With a large under-construction pipeline of ~5 GW, ACME faces risks of project delays, equipment procurement challenges, grid connectivity bottlenecks, and cost overruns - particularly given the complexity of hybrid and storage-integrated projects.
- **Counterparty and collections risk:** A significant share of revenues is tied to state DISCOMs, which have historically been weak on payment timelines. While the share of central offtakers (SECI, NTPC) is rising, any deterioration in DISCOM finances could impact collections and cash flows.
- **Competitive pricing pressures:** The Indian renewable energy sector remains intensely competitive, with aggressive tariff bidding frequently pushing solar and wind tariffs to sub-optimal levels. This could compress project-level IRRs and affect equity returns if financing costs are not adequately managed.

Management and board details

Figure 32: ACME's Board and KMP details

Name	Designation	Brief Description
Board of directors - Executive		
Manoj Kumar Upadhyay	Chairman & Managing Director	Founder of ACME Group (est. 2003), a technology patent holder and visionary clean energy entrepreneur. Under his leadership, ACME has grown to 4+ GW of operational solar capacity. Recipient of Ernst & Young Entrepreneur of the Year (2006) and CII Leadership in Performance Excellence Award (2024). Holds multiple patents in clean energy technology.
Shashi Shekhar	Whole-Time Director & Vice Chairman	Former IAS officer with distinguished career spanning Ministry of New and Renewable Energy (Joint Secretary), Ministry of Environment (Addl. Secretary) and Ministry of Water Resources (Secretary). Also served as MD of PTC Energy and Indian Energy Exchange. Brings extensive policy, regulatory and strategic expertise to ACME.
Nikhil Dhingra	Whole-Time Director & CEO	B.Tech (Electrical Engineering) from NIT Kurukshetra and PGDM from IIM Bangalore. Over 17 years of experience in investment banking and consulting across ICICI Securities (Infrastructure IB), PwC and Infosys. Instrumental in scaling ACME from ~300 MW to 5 GW. Oversees long-term growth strategy and operational excellence across all verticals.
Board of directors - Independent		
Hemant Sahai	Independent Non-Executive Director	Founding Partner of HSA Advocates, one of India's premier law firms. Over three decades of expertise in energy & infrastructure, regulatory disputes, M&A, corporate governance and project finance. Former advisor to Ministry of Power, MNRE, Planning Commission and NITI Aayog. Holds LLB from Delhi University. Also, on board of Akzo Nobel India, SAEL Industries and others.
Anuranjita Kumar	Independent Non-Executive Director	Co-Founder & CEO of WeAce, a platform for women empowerment in the workplace. Former MD – CHRO at Citi South Asia and MD at Royal Bank of Scotland HR. PCC-certified coach, author and TED speaker. Holds BA (Psychology) from Delhi University and PGDPM from XLRI, Jamshedpur. Also serves as Independent Director at ICRA, TBO.COM, Hero FinCorp and HDFC Credila.
Atul Sabharwal	Independent Non-Executive Director	Founder & CEO of Snipp Interactive Inc. (Canada-listed). Former Business Development Director at America Online Inc. and consultant at Boston Consulting Group. Has been associated with ACME Group since 2006. Holds B.Sc from University of Calcutta and MBA from University of New South Wales (AGSM).
KEY MANAGERIAL PERSONNEL (KMP)		
Purushottam Kejriwal	Chief Financial Officer	CFO of ACME Solar Holdings. Also serves as member of the Risk Management Committee. Key financial steward responsible for financial planning, fundraising and investor relations for the company's large-scale renewable energy portfolio.
Rajat Kumar Singh	Group CFO	Group-level CFO responsible for consolidated financial oversight across the ACME Group including solar, green hydrogen and related clean energy businesses.
Rajesh Sodhi	AVP – Company Secretary & Compliance Officer	Company Secretary and Compliance Officer responsible for corporate governance, regulatory filings, board secretarial functions and compliance with SEBI listing obligations.

Source: Company, Investec Equities Research

Environmental, Social & Governance (ESG) grid

Figure 33: ACME Solar's environmental grid

Environmental	Acme Solar
ISO / TCFD / UN PRI Certified /signatories plants?	Good
Penalized by Pollution Control Board/NGT?	Good
Impact on local communities because of operations / services? Known instances of litigations / protests, etc. result of internal / external variables	Good
Greenhouse gas emissions - Does the company diclose CO2, SOx/NOx, dust, VOC, emissions and has it taken steps to reduce it ?	Mediocre
Energy intensity : has it been reducing. Any mitigation variables to offset fossil fuel usage - wind / hydro / solar, etc.	Mediocre
Water / plastic positive	Mediocre
Produces any hazardous/ toxic waste, treatment measures and compliance benchmarks	Good

Source: Company, Investec Equities estimates

Figure 34: ACME Solar's social grid

Social	Acme Solar
No. of fatalities (including / excluding third party, within / beyond the factory & office premises) - disclosures and steps taken to improve it	Mediocre
Attrition rate; exploitation of employees (minimum / average salary levels)	Mediocre
Lost time due to injuries - - disclosures and steps taken to improve it; is it declining?	Mediocre
Metrics on workforce diversity - gender, ethnicity, mix, etc.	Mediocre
CSR spends as % of PAT (does it comply with statutory norms; quality of spends)	Mediocre
Adverse impact on local communities because of operations / services? Known instances of litigations / protests, etc. result of internal / external variables	Good
Does the co. have Health & Safety policy & diversity (gender, specially abled, ethnicity, etc.) policy	Good
Any policy that discourages illegal procurement or harmful effects on Land?	Good

Source: Company, Investec Equities estimates

Figure 35: ACME Solar's governance grid

Company\Metric	Acme Solar
Revenue recognition & cash flows	Good
Depreciation policy	Good
Debtors days	Mediocre
Provisions	Good
Investment income	Good
Contingent liabilties as % of networth	Poor
Cash Interest paid/ CFO	Poor
Exceptionals & One offs	Mediocre
Quarterly segmental reporting of revenues	Good
Changes in accounting policy in past 3 years	Good
Changes in estimates (re-statements)	Good
Auditor remuneration	Good
Changes in auditor	Good
Auditors qualifications	
Directors' remuneration as % of PAT	Good
Directors' remuneration v. peers	Mediocre
Growth in remuneration (as a % of PAT)	Mediocre
Independence of board	Mediocre
Independence of audit committee	Mediocre
L&A	Good
Insider trading analysis	Good
Promoter back-ground check	Good
Historic approach to minority shareholders	Good
Guidance to market	Good
Disclosure of key news to minority shareholders	Good
Accounting and auditing	Good
Board, management and related party transactions	Mediocre
Promoter background and insider trading	Good
Approach towards minority investors	Good
Score for accounting and corporate governance	2.85
Accounting and corporate governance (CG) rating	Good
Accounting, CG & approach towards minority investor rating	Good

Source: Company, Investec Equities estimates

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Summary Financials (INRm)

Year end: 31 March

Income Statement	2024	2025	2026E	2027E	2028E
Revenue	**13,193**	**14,051**	**20,687**	**36,762**	**59,348**
EBITDA	**10,892**	**12,354**	**18,149**	**32,281**	**53,119**
Depreciation and amortisation	3,081	2,873	4,678	6,267	12,337
Operating profit	**7,811**	**9,481**	**13,471**	**26,014**	**40,781**
Other income	1,470	1,701	2,488	1,252	970
Net interest	7,673	7,592	10,494	18,575	25,902
Share-based-payments	0	0	0	0	0
PBT (normalised)	**1,608**	**3,590**	**5,466**	**8,691**	**15,849**
Impairment of acquired intangibles	-	-	-	-	-
Non-recurring items/exceptionals	1,746	(210)	0	0	0
PBT (reported)	**3,354**	**3,380**	**5,466**	**8,691**	**15,849**
Taxation	2,116	872	1,328	2,111	3,850
Minorities & preference dividends	0	0	0	0	0
Discontinued/assets held for sale	-	-	-	-	-
Net Income (normalised)	1,237	2,508	4,138	6,580	11,999
Attributable profit	1,237	2,508	4,138	6,580	11,999
EPS (reported)	2.4	4.1	6.8	10.9	19.8
EPS (norm., cont.) – FD (INR)	2.4	4.1	6.8	10.9	19.8
EPS (norm., cont., IAS19R adj.) – FD	2.4	4.1	6.8	10.9	19.8
DPS (INR)	0.0	0.0	0.0	0.0	0.0
Average number of group shares - FD (m)	522	605	605	605	605
Average number of group shares (m)	522	605	605	605	605
Total number of shares in issue (m)	522	605	605	605	605

Cash Flow	2024	2025	2026E	2027E	2028E
Operating profit	**7,811**	**9,481**	**13,471**	**26,014**	**40,781**
Depreciation & amortisation	(3,081)	(2,873)	(4,678)	(6,267)	(12,337)
Other cash and non-cash movements	(3,290)	(3,859)	(5,143)	(5,475)	(8,670)
Change in working capital	(3,358)	(4,119)	2,534	4,780	6,529
Operating cash flow	**6,503**	**6,514**	**2,466**	**4,703**	**12,988**
Interest	7,673	7,592	10,494	18,575	25,902
Tax paid	112	1,324	1,328	2,111	3,850
Dividends from associates and JVs	0	0	0	0	0
Cash flow from operations	**14,288**	**15,430**	**14,287**	**25,389**	**42,739**
Maintenance capex	(27,979)	(32,621)	(88,393)	(108,516)	(64,036)
Free cash flow	**(13,691)**	**(17,190)**	**(74,106)**	**(83,127)**	**(21,296)**
Expansionary capex	-	-	-	-	-
Exceptionals and discontinued operations	-	-	-	-	-
Other financials	2,977	(17,380)	(6,974)	(16,237)	(23,791)
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Net share issues	0	22,933	0	0	0
Dividends paid	0	0	0	0	0
Change in net cash	**(10,714)**	**(11,638)**	**(81,080)**	**(99,365)**	**(45,087)**
Net cash/(debt)	(69,021)	(75,067)	(156,147)	(255,511)	(300,599)
FCFPS - FD (INR)	(26.2)	(28.4)	(122.5)	(137.4)	(35.2)

Balance Sheet	2024	2025	2026E	2027E	2028E
Property plant and equipment	63,525	116,625	148,896	271,287	347,059
Intangible assets	0	0	0	0	0
Investments and other non current assets	38,863	29,595	81,284	61,397	37,584
Cash and equivalents	13,146	29,160	62,192	35,781	27,701
Other current assets	14,198	4,850	5,335	5,868	6,455
Total assets	**133,941**	**184,038**	**303,942**	**385,210**	**436,035**
Total debt	82,167	104,227	218,338	291,292	328,300
Preference shares	0	0	0	0	0
Other long term liabilities	16,739	27,077	28,351	29,685	31,082
Provisions & other current liabilities	9,123	7,642	8,023	8,423	8,843
Pension deficit and other adjustments	0	0	0	0	0
Total liabilities	**108,028**	**138,945**	**254,711**	**329,399**	**368,225**
Net assets	**241,970**	**322,984**	**558,653**	**714,609**	**804,260**
Shareholder's equity	25,913	45,106	49,244	55,824	67,823
Minority interests	0	(13)	(13)	(13)	(13)
Total equity	**25,913**	**45,093**	**49,231**	**55,811**	**67,810**
Net working capital	17,599	6,299	9,093	14,146	20,962
NAV per share (INR)	49.6	74.5	81.4	92.2	112.1

Source: Company accounts, Investec Equities estimates

Calendarized Valuation

Year end: 31 March

	2024	2025	2026E	2027E
Calendar PE (x)	66.1	39.7	24.8	13.9
Calendar Price/NAVPS (x)	3.6	3.1	2.7	2.3
EV/sales (x)	15.7	14.9	11.6	8.1
EV/EBITDA (x)	18.1	17.0	13.2	9.1
FCF yield (%)	(11.4)	(40.5)	(54.5)	(24.6)
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company accounts, Investec Equities estimates

Ratios and Metrics

Year end: 31 March

Ratios and metrics	2024	2025	2026E	2027E	2028E
Revenue growth (y-on-y) (%)	1.9	6.5	47.2	77.7	61.4
EBITDA growth (y-on-y) (%)	(7.1)	13.4	46.9	77.9	64.6
Net income (normalised) growth (yoy)		102.7	65.0	59.0	82.4
EPS (normalised) growth (y-on-y) (%)		75.0	65.0	59.0	82.4
FCFPS growth (y-on-y) (%)					
NAVPS growth (y-on-y) (%)	34.2	50.2	9.2	13.4	21.5
DPS growth (y-on-y) (%)	-	-	-	-	-
Interest cover (x)	(1.0)	(1.2)	(1.3)	(1.4)	(1.6)
Net debt/EBITDA (x)	6.3	6.1	8.6	7.9	5.7
Net debt/equity (%)	266.4	166.5	317.2	457.8	443.3
Net gearing (%)	72.7	62.5	76.0	82.1	81.6
Dividend cover (x)	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA margin (%)	82.6	87.9	87.7	87.8	89.5
EBITA margin (%)	59.2	67.5	65.1	70.8	68.7
ROE (%)	4.8	5.6	8.4	11.8	17.7
ROCE (%)	5.3	4.8	4.2	6.5	9.0
NWC/revenue (%)	133.4	44.8	44.0	38.5	35.3
Tax rate (normalised) (%)	(131.6)	(24.3)	(24.3)	(24.3)	(24.3)
Tax rate (reported) (%)	(63.1)	(25.8)	(24.3)	(24.3)	(24.3)

Source: Company accounts, Investec Equities estimates

Target Price Basis

FY28E EV/EBITDA

Key Risks

Dependence on debt for growth
Government policy dependency
Execution challenges in project delivery
Counterparty and collections rise
Competitive pricing pressures

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	Expected total return		All stocks	Corporate stocks	
	12m performance	Count	% of total	Count	% of total
Buy	greater than 10%	264	79%	82	31%
Hold	0% to 10%	59	18%	0	0%
Sell	less than 0%	12	4%	0	0%

Source: Investec Equities estimates

Stock ratings for Indian stocks — Stock ratings for research produced by Investec Bank plc

	Expected total return		All stocks	Corporate stocks	
	12m performance	Count	% of total	Count	% of total
Buy	greater than 15%	197	62%	0	0%
Hold	5% to 15%	77	24%	0	0%
Sell	less than 5%	42	13%	0	0%

Source: Investec Equities estimates

Stock ratings for African* stocks — Stock ratings for research produced by Investec Securities Limited

	Expected total return		All stocks	Corporate stocks	
	12m performance	Count	% of total	Count	% of total
Buy	greater than 15%	48	58%	16	33%
Hold	5% to 15%	27	33%	7	26%
Sell	less than 5%	8	10%	2	25%

Source: Investec Equities estimates

*For African countries excluding South Africa, ratings are based on the 12m implied US dollar expected total return (ETR). This is derived from the expected local currency (LCY) ETR by making assumptions on the 12month forward exchange rates for the respective currencies. For South African stocks, ratings are based on the ETR in rand terms.

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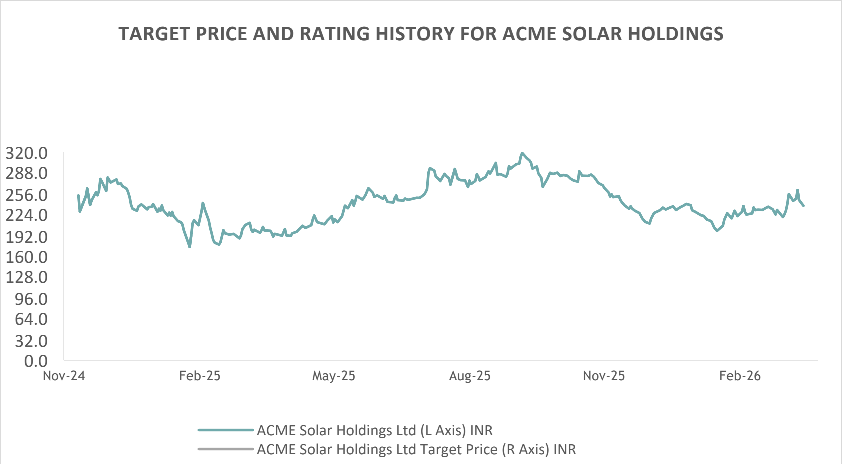
ACME Solar Holdings Ltd (ACMO.NS) – Rating Plotter as at 25 Mar 2026



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